

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

TRIMESTER 3, 2019/2020

**BBL2614 – BUSINESS LAW**

(All Sections/Groups)

10 JUNE 2020  
9.00 a.m - 12.00 p.m  
(3 Hours)

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### INSTRUCTIONS TO STUDENT

1. This question paper consists of 3 pages with **FOUR (4)** questions only.
2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the answer booklet provided.

**QUESTION 1**

- (a) Painter is a decorator and general repairman. He is approached by Strong, a property developer who offered him RM 2000 to paint and decorate a small terraced house by the end of April 2008. While Painter was on the job, Strong's wife visited the house and admired Painter's work. She says that if Painter completes the job early, then she is sure there would be a bonus in it for him. Painter asks her how much would the bonus be. She replies that "she is sure that she could persuade her husband to pay a sum of RM 400 in such circumstances". She also says that the work is so professional that she will herself pay him RM 200, once the work is completed. Painter finishes the job two days early. He seeks the original fee agreed with Strong and the two additional sums. Strong and his wife now refuse to pay these additional sums of money. Discuss whether Painter can take any action against Strong and the wife.

(10 marks)

- (b) Seth, a marketing staff of Green Havana Island Resort Sdn. Bhd. visits Macron on 1 May 2017. He informs Macron, who is looking for an Island Resort to celebrate his wedding in December 2017, that his company is prepared to offer the Island Resort Ball Room at a price of RM 50,000.00. Macron is hesitant and decides to think the matter over. Seth leaves pointing out that the price only remains open until 8 May 2017.

On the following day, Macron sees an advertisement by Green Havana Resort Sdn. Bhd. in the Starwar Newspaper, which offers the Island Resort Ball Room at a price of RM 45,000.00. He immediately telephones Green Havana Resort in order to accept the terms of this advertisement. The company replies that owing to high demand, the advertised offer has been withdrawn.

On 7 May, Macron telephones Green Havana Resort Sdn. Bhd. again. He leaves a message with the answering service in which he accepts the offer of RM 50,000.00 made by Seth. He also sends a letter confirming the reservation that afternoon. He later goes for a drink at a coffee shop where a friend of his informs him that he can rent the Island Resort Ball Room for just RM 40,000.00. Macron rushes home and telephones Green Havana Resort Sdn. Bhd. expressing his wish to cancel the order he made earlier. The secretary on duty, Cynthia, points out that she has not yet had an opportunity of listening to the answering service tapes but that she will note down his wishes. Macron's letter of the 7 May arrives on the 9 May at Green Havana Resort Sdn. Bhd.'s premises.

Advise Macron whether he has concluded a contract with Green Havana Resort Sdn. Bhd.

(15 marks)

**(Total: 25 Marks)**

**Continued.....**

**QUESTION 2**

- (a) Melissa went to Relax and Travelling Sdn. Bhd. She said to a salesperson, 'Look, I'm going hiking at the Mt. Kota Kinabalu, Sabah, and I need a pair of shoes for hiking. What have you got? The salesperson showed Melissa three types of shoes. The salesperson was called away and thus, Melissa selected one pair of hiking shoes manufactured by X-Hiking Sdn. Bhd. and paid the cashier RM750. Melissa went for hiking and suffered injuries to her toes as the shoes are not suitable for hiking.

Discuss if Melissa has any right of action against the manufacturer of the shoes or the salesperson by referring to Sale of Goods Act 1957.

(10 marks)

- (b) Bryan, a renowned drifter, wanted to sell his drift car and advertised it in a motorcar trader magazine as a Toyota Corolla Levin 1986. Andy, a big fan of drift motorsport, read the advertisement and immediately went to view the car. After a short test drive session, he agreed to purchase that car. The following week, he drives the car to Rudy's Workshop to install a roll cage. However, it was found out that only the front half of the car was part of the Toyota Corolla Levin 1986, while the rear half was part of a later model, Toyota Corolla LE.

Advise Andy.

(15 marks)

**(Total: 25 Marks)**

**QUESTION 3**

- (a) Carona owned a shop selling groceries at Cyberjaya. She appoints Moss as her agent to purchase grocery supplies on her behalf. Carona informs Moss that he can spend RM 1, 000 for each transaction. However, Moss routinely exceeds the price limit by a few thousand ringgit. Carona always pays for the extra expenses made by Moss. One day, Moss buys grocery supplies from Ambex Sdn Bhd (Ambex), and the total purchase price is RM 15,000. Besides Ambex's building, there is a shop selling antique goods. Moss then buys two paintings on Carona's behalf. The pictures are sent to Carona's shop. Carona is infuriated and tells Moss to return the pictures and cancel the transaction. The seller, Brian, now refuses to cancel the transaction. Carona seeks your advice as to whether Moss has the authority to make both purchases.

(10 marks)

**Continued.....**

- (b) Agency is the relationship that exists when one person or party (the principal) engages another (the agent) to act for him. There are five ways of creating the contract of agency.

Explain how an agency by ratification is created and discuss its conditions.

(10 marks)

- (c) A cheque is a bill of exchange drawn on a banker payable on demand. Explain any **TWO (2)** types of cheques.

(5 marks)

**(Total: 25 Marks)**

#### **QUESTION 4**

- (a) A hire purchase contract is an agreement wherein the owner agrees to hire goods to the hirer with an option for the hirer to purchase the goods.

Explain the formation and nature of hire purchase agreements.

(15 marks)

- (b) Muthu insured his shophouse against fire for RM 200,000 with Am Public Insurance Berhad. He failed to inform the insurer that the shop is also being used to store inflammable goods. Last month, the shop was burnt down by the fire and was completely destroyed. It was caused by an explosion of a few gas cylinders stored in the shophouse.

Discuss whether the insurer is liable under the insurance policy to indemnify Muthu. Give reasons for your answer.

(10 marks)

**(Total: 25 Marks)**

**End of Paper.**